

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 615 Session of
2005

INTRODUCED BY KASUNIC, LOGAN, C. WILLIAMS, O'PAKE, COSTA,
LAVALLE, RHOADES, STOUT, TARTAGLIONE, KITCHEN, MUSTO, PUNT,
ERICKSON, D. WHITE, BOSCOLA, RAFFERTY AND STACK,
APRIL 4, 2005

REFERRED TO FINANCE, APRIL 4, 2005

AN ACT

1 Amending Titles 24 (Education) and 71 (State Government) of the
2 Pennsylvania Consolidated Statutes, providing for permanent
3 cost-of-living increases for retirees.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Title 24 of the Pennsylvania Consolidated
7 Statutes is amended by adding a section to read:

8 § 8348.8. Supplemental annuities commencing 2005.

9 (a) Benefits.--Commencing with the first monthly annuity
10 payment after July 1, 2005, any eligible benefit recipient shall
11 be entitled to receive a further additional monthly supplemental
12 annuity from the system. This shall be in addition to the
13 supplemental annuities provided for in sections 8348 (relating
14 to supplemental annuities), 8348.1 (relating to additional
15 supplemental annuities), 8348.2 (relating to further additional
16 supplemental annuities), 8348.3 (relating to supplemental
17 annuities commencing 1994), 8348.4 (relating to special

1 supplemental postretirement adjustment), 8348.5 (relating to
2 supplemental annuities commencing 1998), 8348.6 (relating to
3 supplemental annuities commencing 2002) and 8348.7 (relating to
4 supplemental annuities commencing 2003).

5 (b) Amount of supplemental annuity.--The amount of the
6 supplemental annuity payable pursuant to this section shall be
7 an amount equal to the increase in the Consumer Price Index for
8 Urban Wage Earners for the immediately preceding calendar year.

9 (c) Payment.--The supplemental annuity provided under this
10 section shall be paid automatically unless the annuitant files a
11 written notice with the board requesting that the additional
12 monthly supplemental annuity not be paid.

13 (d) Conditions.--The supplemental annuity provided under
14 this section shall be payable under the same terms and
15 conditions as provided under the option plan in effect as of
16 July 1, 2005.

17 (e) Benefits to beneficiaries or survivors.--No supplemental
18 annuity provided under this section shall be payable to the
19 beneficiary or survivor annuitant of a member who dies before
20 July 1, 2005.

21 (f) Funding.--

22 (1) Notwithstanding section 8328 (relating to actuarial
23 cost method), the additional liability for the increase in
24 benefits provided in this section shall be funded in annual
25 installments increasing by 5% each year over a period of 20
26 years beginning July 1, 2005.

27 (2) Notwithstanding the provisions of the act of July 1,
28 2004 (P.L. _____, No.7A), known as the General Appropriation
29 Act of 2004, regarding payment for cost-of-living increases
30 for annuitants, payments for cost-of-living increases for

annuitants shall be made under section 8535 (relating to payments to school entities by Commonwealth).

(g) Eligible benefit recipient.--As used in this section, the term "eligible benefit recipient" means a person who is receiving a superannuation, withdrawal or disability annuity on July 1, 2005, and whose most recent effective date of retirement is prior to July 1, 2004, but the supplemental annuities provided under this section shall not be payable to an annuitant receiving a withdrawal annuity prior to the first day of July coincident with or following the annuitant's attainment of superannuation age.

Section 2. Title 71 is amended by adding a section to read:

§ 5708.9. Supplemental annuities commencing 2004.

(a) Benefits.--Commencing with the first monthly annuity payment after June 30, 2005, any eligible benefit recipient shall be entitled to receive a supplemental monthly annuity from the system. This shall be in addition to the supplemental annuities provided for in sections 5708 (relating to supplemental annuities), 5708.1 (relating to additional supplemental annuities), 5708.2 (relating to further additional supplemental annuities), 5708.3 (relating to supplemental annuities commencing 1994), 5708.5 (relating to supplemental annuities commencing 1998) 5708.6 (relating to supplemental annuities commencing 2002), 5708.7 (relating to supplemental annuities commencing 2003) and the special supplemental postretirement adjustments provided for in sections 5708.4 (relating to special supplemental postretirement adjustment) and 5708.8 (relating to special supplemental postretirement adjustment of 2002).

(b) Amount of supplemental annuity.--The amount of the

1 supplemental annuity payable pursuant to this section shall be
2 an amount equal to the increase in the Consumer Price Index for
3 Urban Wage Earners for the immediately preceding calendar year.

4 (c) Payment.--The supplemental annuity provided under this
5 section shall be paid automatically unless the annuitant files a
6 written notice with the board requesting that the additional
7 monthly supplemental annuity not be paid.

8 (d) Conditions.--The supplemental annuity provided under
9 this section shall be payable under the same terms and
10 conditions as provided under the option plan in effect as of
11 July 1, 2005.

12 (e) Benefits paid to beneficiaries or survivors.--No
13 supplemental annuity provided under this section shall be
14 payable to the beneficiary or survivor annuitant of a member who
15 dies before July 1, 2005.

16 (f) Funding.--Notwithstanding section 5508(e) (relating to
17 actuarial cost method), the additional liability for the
18 increase in benefits provided in this section shall be funded in
19 annual installments increasing by 5% each year over a period of
20 20 years beginning July 1, 2005.

21 (g) Eligible benefit recipient.--As used in this section,
22 the term "eligible benefit recipient" means a person who is
23 receiving a superannuation, withdrawal or disability annuity on
24 July 1, 2005, and whose most recent effective date of retirement
25 is prior to July 1, 2004, but the supplemental annuities
26 provided under this section shall not be payable to an annuitant
27 receiving a withdrawal annuity prior to the first day of July
28 coincident with or following the annuitant's attainment of
29 superannuation age.

30 Section 3. This act shall take effect immediately.